



Agenda Item Number: 2005-8-6B

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: August 9, 2005

Department: County Manager **Staff Contact:** Julie Baca, Deputy County Manager
Community Services

TITLE: Hiland Theater Release of Mortgage

ACTION: Motion to authorize the County Manager to pay for release of Mortgage for the Hiland Theater Complex.

SUMMARY:

The County received multiple legislative capital appropriations for the Hiland Theater property beginning in 2002. Musical Theater Southwest, the original title holder, was given a lease on the property following their title transfer to the County in 2003.

There is a mortgage owed of approximately \$2.27 million. An appraisal conducted in 2005 values the property at \$2,025,000. The bank has agreed to accept a discounted payoff of \$1,000,000. Staff requests that the County Manager be authorized to finalize negotiations with the bank and expend approximately \$1,000,000, plus associated closing costs, to obtain free and clear title of the property for the County.

Legislative sponsors of the original appropriations have agreed to this use of State money. The Legislature and Governor reauthorized and approved \$1,000,000 of the total \$2,446,000 for this purpose. The balance of the appropriations will be used for renovation of the site.

FISCAL IMPACT

The total debt on the Highland theater complex exceeds appraised value. The bank has agreed to a discounted payoff and a portion of the State appropriations have been reauthorized for this purpose. The payment will give the County free and clear title. Remaining State funds will complete renovation. Future leasing of the complex may generate revenue sufficient to meet or exceed future maintenance costs.

COUNTY MANAGER

Staff has been working with Bank of America, NM Department of Finance and Administration and the State Attorney General to finalize this release agreement. Upon Board approval, the County will close this facility and begin extensive renovations utilizing the remaining State funding. These renovations will take approximately 6 – 9 months, after which time the County will issue an RFP for a company to operate this facility. I recommend Board approval. TL 7/26/05

DEPUTY COUNTY MANAGER FOR COMMUNITY SERVICES

This item will give the Manager authorization to finalize an agreement with the bank for Highland Theater. The agreement retires all debt owed on the structure for \$1,000,000 in State funds reauthorized for this purpose. The County will own the complex free and clear and use remaining State funds for renovation. I recommend approval. Julie Baca, Deputy County Manager, Community Services 7/26/05

LEGAL

No adverse comment. PFT 07/26/05

FINANCE

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| Budget | Funding is available from legislative appropriations to purchase the building. Remainder of legislative appropriations will be used to renovate the building. Maria Zuniga, Financial Projects Coordinator
7/20/05 |
| Purchasing | A purchasing comment is not required for this motion. D. Esquivel, Purchasing Administrator. 7/20/2005 |
| Risk Management | The Highland Theatre Complex will be covered under the County property insurance program. David A. Baca, Risk Management .
7/20/05 |